

The State of Delaware

Highmark Care Management Models

February 20, 2017

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Highmark care management program options

Executive summary

- There are several different care management programs that the State can choose under Highmark (ordered below by increasing level of engagement/savings opportunities)
 - Intensive Model – in place today
 - Customer Care Advocacy (“CCA”) model
 - Custom Care Management Unit (“CCMU”) model
- Adoption of an enhanced care management program has no negative employee impact
- WTW has worked with Highmark to understand the key differences in each of these models on the State’s behalf
 - This includes reviewing which components of the Intensive Model are available to all Highmark customers, and which have been customized specifically for the State
- The following page outlines key program attributes
- **As compared to the Intensive Model, the net projected savings for the CCA and CCMU models are highlighted below:**
 - **CCA Net Savings: \$3.2M - \$4.7M**
 - **CCMU Net Savings: \$5.5M - \$7.4M**

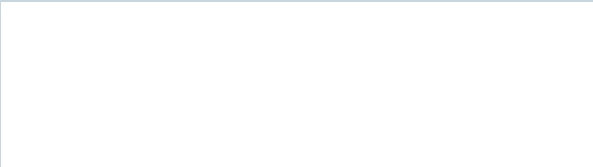
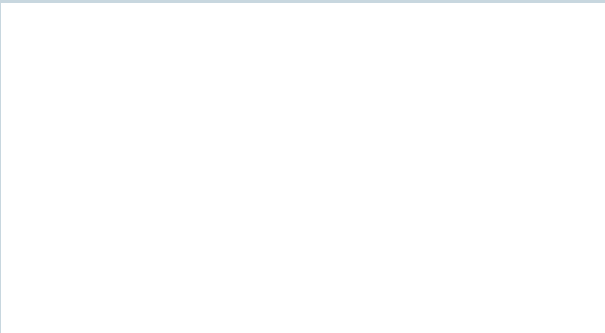
Key differentiators between Highmark's care management models

	Intensive Model (<i>in place today</i>)		CCA	CCMU
	Highmark Standard	Customized for the State		
Engagement Staffing Ratio (RN : Mbrs), DM & CM only* Basis of predictive model / triggers for outreach Customer Service (CS) as an engagement driver	1:15,000 Predictive model / outreach based on condition prevalence and risk for all Intensive Model members CS provides non-clinical advocacy, no access to gaps-in-care, referrals are not a core function of unit performance	1:9,500** Predictive model / outreach based on condition prevalence and risk w/in the State's population 	1:10,000 Predictive model / outreach based on condition prevalence and risk w/in the customer's population CS provides clinical advocacy, w/ CS access to gaps-in-care and member contact info, appropriate clinical referrals measured as part of CCA/CS unit performance	1:7,500 Client-specific outreach triggers built into predictive modeling, e.g., lower high cost claimant threshold CS provides clinical advocacy <i>with customized messaging</i> , CS access to gaps-in-care and member contact info, appropriate clinical referrals measured as part of CCMU/CS unit performance
Clinical Model Focus of primary nurse care manager	RNs are designated to Intensive Model customers	Dedicated clinical team of 6 Health Coach RNs	RNs are designated to CCA customers	RNs are dedicated to CCMU with specific focus on client's population and culture Dedicated pharmacist and medical director
Vendor Oversight	Highmark oversees clinical performance		Highmark oversees clinical performance	Joint WTW/Highmark oversight of clinical performance Client-specific pre-implementation readiness assessment WTW/Highmark ongoing weekly post-implementation calls to discuss progress/address opportunities Semi-annual WTW onsite clinical assessment Customized dashboard report with CCMU-specific metrics and Detailed quarterly reporting to monitor progress
Financial Fees at Risk Net Savings (Compared to Intensive)	40% -		40% \$3.2M - \$4.7M	40% (WTW Oversight 100%) \$5.5M - \$7.4M

* DM = Disease Management, CM = Case Management. No differentiation among staffing ratios for Lifestyle Management (1:25,000) or Utilization Management (1:50,000).

** Highmark has indicated that the fees currently paid by the State do not fully cover the cost of the clinical resources allocated to the State, and has suggested that a reduction in covered membership will increase the case loads of the nurses supporting the State (i.e., more members per nurse / less time to dedicate to member management).

Appendix



Key differentiators between Highmark's care management models

	Intensive Model		CCA	CCMU
	Highmark Standard	Customized for the State		
Engagement				
Staffing Ratio (RN : Mbrs), DM & CM only*	1:15,000	1:9,500**	1:10,000	1:7,500
Basis of predictive model / triggers for outreach	Predictive model / outreach based on condition prevalence and risk for all Intensive Model members	Predictive model / outreach based on condition prevalence and risk w/in the State's population	Predictive model / outreach based on condition prevalence and risk w/in the customer's population	Predictive model / outreach based on condition prevalence and risk w/in the customer's population
Customer Service (CS) as an engagement driver	CS provides non-clinical advocacy, no access to gaps-in-care, referrals are not a core function of unit performance		CS provides clinical advocacy, w/ CS access to gaps-in-care and member contact info, appropriate clinical referrals measured as part of CCA/CS unit performance	Client-specific outreach triggers built into predictive modeling, e.g., lower high cost claimant threshold CS provides clinical advocacy <i>with customized messaging</i> , CS access to gaps-in-care and member contact info, appropriate clinical referrals measured as part of CCMU/CS unit performance

Note: To highlight the differentiation among the options, text is colored in green to show the additional attributes that are value-add compared to the current "Intensive Model."

* DM = Disease Management, CM = Case Management. No differentiation among staffing ratios for Lifestyle Management (1:25,000) or Utilization Management (1:50,000).






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Key differentiators between Highmark's care management models

	Intensive Model		CCA	CCMU
	Highmark Standard	Customized for the State		
Clinical Model Focus of primary nurse care manager Designated vs. dedicated clinical resources <ul style="list-style-type: none"> Pharmacist Medical Director Behavioral Health Specialty Case Mgmt 	RNs are designated to Intensive Model customers RNs have access to additional clinical resources that support IM and CCA models	Dedicated clinical team of 6 Health Coach RNs	RNs are designated to CCA customers RNs have access to additional clinical resources that support IM and CCA models	RNs are dedicated to CCMU with specific focus on client's population and culture Dedicated pharmacist and medical director RNs have access to additional clinical resources that support IM and CCA models

Note: To highlight the differentiation among the options, text is colored in green to show the additional attributes that are value-add compared to the current "Intensive Model."

Highmark-reported outcomes from CCA vs. Non-CCA clients

	CCA Clients	National Non-CCA Clients
 Average Associate Risk	1.33	1.36
 2014-2015 PMPM & Financial Trend	2.7%	4.4%
	Advocate Engagement	0.0%
	Health Coach Interaction	4.3%
	Health Coach Engagement	3.0%
	Overall Engagement	49%
 High Cost Claimants % Engaged	37.3%	21.4%
	Associates with Attributed PCP	63.9%
	Associates receiving Preventive Care	45.9%
	Non-Users	16.3%

CCMU-specific Outcomes

- 30% - 50% of those identified were engaged in the program
- Up to 30% reduction in admissions/1,000
- Up to 50% reduction in readmissions/1,000
- 15% increase in compliance with clinical metrics
- ROI up to 3:1

Source: Highmark.

Note: Outcomes from CCMU have been included in the results reported for "CCA Clients."

Key differentiators between Highmark's care management models

	Intensive Model	CCA	CCMU
Vendor Oversight			
Clinical assessments	Highmark oversees clinical performance	Highmark oversees clinical performance	Joint WTW/Highmark oversight of clinical performance
Performance guarantees	Limited focus on clinical and financial outcomes in performance guarantees	Clinical performance guarantees (40% fees at risk)	Client-specific pre-implementation readiness assessment
Third party review			WTW/Highmark ongoing weekly post-implementation calls to discuss progress/address opportunities
			Detailed quarterly reporting to monitor progress
			Semi-annual WTW onsite clinical assessment
			Customized dashboard report with CCMU-specific metrics
			Client-specific strategy based on meeting CCMU Performance Guarantees (40% fees at risk)

Note: To highlight the differentiation among the options, text is colored in green to show the additional attributes that are value-add compared to the current "Intensive Model."

Financial comparison

Fees and performance guarantees

Administration Fees				
PEPM Fees		Intensive Model	CCA	CCMU ¹
	FY18 Projected Highmark Enrollment	28,500	28,500	28,500
	Base Administrative Fees	\$3.35	\$5.75	\$7.50
	Oversight Fees	N/A	N/A	\$1.67
	Total Administrative Fees	\$3.35	\$5.75	\$9.17
Total Fees				
	Base Administrative Fees	\$1,145,700	\$1,966,500	\$2,565,000
	Oversight Fees	N/A	N/A	\$571,140
	Total Administrative Fees	\$1,145,700	\$1,966,500	\$3,136,140
Performance Guarantees				
Guarantee		Intensive Model	CCA	CCMU ¹
	Base Performance Guarantees	40%	40%	40%
	Oversight Performance Guarantees	N/A	N/A	100%
Total Fees	Base Performance Guarantees	\$458,280	\$786,600	\$1,026,000
	Oversight Performance Guarantees	N/A	N/A	\$571,140
	Total Fees at Risk	\$458,280	\$786,600	\$1,597,140

¹ CCMU \$1.67 PEPM oversight fee directed to Willis Towers Watson

Financial comparison

Savings estimate and sensitivity analysis

Savings Estimates (as compared to Intensive Model)

	Intensive Model	CCA	CCMU ¹
Gross Savings Estimate (low-end)	N/A	\$5,200,000	\$8,100,000
Gross Savings Estimate (high-end)	N/A	\$6,700,000	\$10,000,000
Net Savings Estimate (low-end)	N/A	\$3,200,000	\$5,500,000
Net Savings Estimate (high-end)	N/A	\$4,700,000	\$7,400,000

Sensitivity Analysis (as compared to Intensive Model)

	Intensive Model	CCA	CCMU ¹
No Savings (Administrative Fees less Performance Guarantees)	N/A	\$492,480	\$851,580
Savings Estimate (low-end)	N/A	(\$3,200,000)	(\$5,500,000)
Savings Estimate (high-end)	N/A	(\$4,700,000)	(\$7,400,000)

Based on market experience, "No Savings" is not a realistic outcome (minimum ROI is typically 2:1), however, for the purposes of the sensitivity analysis, the minimum incremental administrative fee exposure to the GHIP is provided above

¹ CCMU \$1.67 PEPM oversight fee directed to Willis Towers Watson
Estimated savings are net of administration fees